

DATE: Thursday, February 23, 2017

TO: Appropriations Committee

FROM: Fran Ludwig, Chair of the Board of Directors, Gilead Community Services

RE: DMHAS Budget

Good Evening Senator Osten and Representative Walker:

My name is Fran Ludwig and I'd like to speak from two perspectives about funding for mental health services:

The first perspective is that of the parent of a son who lives with mental illness. Addressing the needs of a child with chronic mental illness is overwhelming. You find yourself looking for treatments that are often inadequate, for illnesses that are complex and poorly understood, from clinicians who are scarce and often unavailable, in a culture that fears and stigmatizes the individual who is afflicted. You need to find not only the right psychiatrist, but also an appropriate therapist, and often someone who can help with co-occurring conditions such as substance abuse or a developmental disability. You need a nurse who can manage the medications, and make sure that they are administered regularly.

For an adult child, you also must find suitable housing, staff support for activities of daily living, and vocational support for finding a suitable job or volunteer opportunity. You also need someone who can provide transportation to doctor's offices, the grocery store and the laundry mat. In addition, you need someone who can help with money management and navigating the seemingly endless stream of bureaucratic paperwork. And most importantly, you need a community that your family member can feel part of and that can help them integrate into the larger world.

Even the most devoted parent can't do all of that, and almost 2/3 of individuals with chronic severe mental illness have lost their family connections and have no other means of support. But Gilead can and does meet all those needs, and does it well. It provides vital **integrated care**, addressing each individual's unique constellation of needs. With its recent affiliation with Oak Hill, Gilead is now poised to offer a broad continuum of care in an efficient and cost-effective way. This translates into a higher quality of life for my son and over 600 others living in Middlesex County, as well as savings in the cost of providing for their care.

Which brings me to my second perspective on funding for mental health services: that of the Chair of the Board of Directors for Gilead Community Services. Even though Gilead provides essential mental health services to so many individuals and families, we have struggled increasingly over the past 10 years to cover the cost of providing that care. Expenses have risen steadily as funding has dropped. We have exhausted the savings available from tightening our belt, and have passed the tipping point at which it's possible to provide the services needed with the funds available.

The cost of not providing adequate community mental health services is ironically, higher costs. Mental illness doesn't go away when the funding does. We have more unmanaged illness leading to exacerbated symptoms, with increased trips to emergency rooms and psych wards, breakdowns requiring long-term hospitalizations, greater demands on police departments, higher prison populations, more homelessness, and increasing admissions to nursing homes. These are not only greater social costs, but come at great cost to the quality of life for my son and others who rely on these services.

The good news is that there is a funding solution. State agencies offer many of the same types of services that are offered by nonprofit providers, however at higher costs. The Community Nonprofit Alliance has prepared an analysis of cost savings that can be realized by transferring mental health and disability services from state agencies to private nonprofit providers. The analysis found that it costs more than twice as much to take care of people in a state-run program as in a private nonprofit program. A gradual transfer of public programs into the nonprofit sector over a five-year period could save approximately **\$1.3 billion dollars**. A reinvestment of about **\$300 million dollars** of that into the community nonprofits would help to make up the existing funding deficit. The remainder could be available to offset other state costs.

I know that Governor Malloy has also advocated budget savings by transferring state programs to the nonprofit sector. With the 5-year phase-in plan, I'm assured that much of the reduction in state jobs could be realized through normal attrition. Other state employees could be absorbed into the nonprofit system. I have attached a copy of the Alliance's conversion analysis for your review. I urge you to give close attention to this possibility. **High quality, integrated, mental health services are essential for the individuals and families served**, as well as for the social fabric of our communities.

Thank you, Senator Osten and Representative Walker, for your willingness to wrestle with these funding challenges, and to find ways to meet the needs of all our citizens, even those with very little voice.